Arrest of SEBI Officials

5315. SHRI CHATURANAN MISHRA:
SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that three officials of the Securities and Exchange Board of India (SEBI) were arrested for knowingly approving the vetting of the prospectus and offer documents of MS Shoes East Limited; and

(b) if so, the details of the charges against them and further action being taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir. No official of the Securities and Exchange Board of India has been arrested in connection with the M.S. Shoes issue.

(b) Does not arise.

मध्य प्रदेश में आयकर कार्यालय का भवन

5316. श्री रामजी: क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या मध्य प्रदेश के सिवनी में आयकर कार्यालय का अपना भवन है;

(ख) यदि नहीं, तो इस दिशा में अब तक क्या प्रयास किए गए हैं; और

(ग) क्या इस आयकर भवन और इसके कर्मचारियों के लिए निकट भविष्य में सरकारी भवन और सरकारी क्वार्टरों का निर्माण करने की कोई योजना है; यदि नहीं, तो इसके क्या कारण हैं?

वित्त मंत्रालय में राज्य मंत्री (श्री इलमकी-वन्नप्पेखर मूर्ति): (क) जी, नहीं।

(ख) कार्यालय और आवासीय भवनों के निर्माण के लिए उपयुक्त भूखंड का पता लगाया जा रहा है।

(ग) जी, हां।

Public Issue of Western India Securities Limited

5317. SHRIMATI MALTI SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that M/s Western India Securities Limited have collected a huge amount of money through its public issue of share in July, 1994;

(b) if so, whether the company has not refunded the money to a large number of unsuccessful applicants who have not been issued shares of the company and investors are running from pillar to post to get their money back;

(c) if so, how many complaints have been received by the company as well as SEBI in the matter; and

(d) what steps Government propose to take to get the money refunded to the investors at the earliest?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) Western India Securities Ltd. launched its public issue of Rs. 4.80 crores in November, 1994. The issue was oversubscribed by 9.73 times and received a total amount of Rs. 23 crores. The company has refunded the excess application money and has completed the despatch of refund orders on 6.2.1995.

(c) and (d) Securities and Exchange Board of India has received 41 complaints against the company. SEBI has taken up these complaints with the company.

Flourishing Narcotic Trade in Imphal

5318. SHRI HIPHEI: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to certain reports published in the first week of March, 1995 regarding flourishment of narcotic trade in Imphal;

(b) if so, the details thereof;

(c) whether such situation of flourishment of narcotics is likely to affect the whole of North-Eastern region of the country;

(d) whether Government propose to take some steps urgently to check further

spread of the situation; and

(c) if so, details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) to (c) Because of proximity to Golden Triangle, the north eastern region of the country is specially vulnerable to drug trafficking.

(d) and (e) A comprehensive bilateral agreement has been entered into with the Government of Union of Myanmar for preventing illicit traffic in narcotic drugs. Regular meetings at Secretary level and field level meetings between enforcement agencies of the two countries are taking place. Contact points for quicker communication of operational information have been designated. Under the North-East council, nodal officers have been designated by State Governments to coordinate enforcement efforts. The Manipur Polic Department has created a dedicated cell for narcotics.

Instructions have been issued to all the enforcement agencies to maintain utmost vigil and step up enforcement efforts under the stringent provisions contained in NDPS Act. Training is being imparted to officers to improve their effectiveness.

Implication of T.D.S. Scheme

5319. SHRIMATI MALTI SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether attention of Government has been drawn to the news item captioned "Ad agencies up in arms against TDS Scheme" which appeared in "The Hindustan Times" dated the 21st March, 1995; if so, the details of the TDS Scheme and the implications thereof and also Government's reaction thereof; and

(b) whether Government would consider withdrawing TDS Scheme under the Income Tax Act, if so, by when and if not, the limitation thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) Yes, Sir. The Government is aware of the said news item. In the Finance Bill, 1995, it has been *inter-alia* proposed that (i) tax shall be deducted at source under section 194C at the rate of 2% (1% in the case of a sub-contractor) from payment made to a contractor in pursuance of a work contract including an advertising contract provided that the payment exceeds Rs. 20,000; and (ii) tax shall be deducted at source under section 194J at the rate of 10% from payment of fees for professional services or technical services provided the payment exceeds Rs. 20,000. The term "professional services" used in section 194J includes rendering of services in the course of advertising profession. The apprehensions expressed in the news item are not well founded. As per section 194C, deduction of tax at source has to be made from contract payments while deduction of tax at source under section 194J has to be made from fees for professional services. These two provisions deal with two mutually exclusive situations and there is no question of applying both the sections to a given payment.

(b) No such proposal is under consideration. The provisions are proposed in order to widen and deepen the tax base and constitute an important mode of collection of taxes.

Working of Public Sector Banks

5320. SHRI T. VENKATRAM REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have reviewed the working of public sector banks during the last three years; and

(b) if so, the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) The working of the public sector